## **MINUTES** STATE OF WASHINGTON **ENERGY FACILITY SITE EVALUATION COUNCIL**

# April 14, 2003 - Regular Meeting<sup>1</sup> 4224 Sixth Avenue S.E., Building 1

Lacey, Washington, 1:30 p.m.

#### **ITEM 1: CALL TO ORDER**

CHAIR LUCE: The regular meeting of the Washington State Energy Facility Site Evaluation Council for Monday, April 14, 2003, will come to order.

### **ITEM 2: ROLL CALL**

**EFSEC Council Members** Community, Trade & Economic Development **Department of Ecology** Department of Fish & Wildlife **Department of Natural Resources Utilities and Transportation Commission** Chair

Dick Fryhling Chuck Carelli Jenene Fenton Tony Ifie Tim Sweeney Jim Luce

**MR. MILLS:** I note the presence of Chair Jim Luce and there is a quorum.

#### OTHERS IN ATTENDANCE

#### **EFSEC Staff and Counsel**

Allen Fiksdal Irina Makarow Mike Mills Mariah Laamb

Patti Johnson – Kittitas County (via phone) Michelle Elling

Ann Essko - AGO

### **EFSEC Guests**

Tom Schneider, Chehalis Power Mark Anderson, CTED Mike Torpey, BP Cherry Point Darrel Peeples, Wallula Gen Mike Lufkin, CFE Lauri Vigue, Fish & Wildlife Alan Harger, Transportation Cindy Custer, BPA

Andrew Young, Zilkha Power Chris Taylor, Zilkha Power

Michael Skelly, Zilkha Power Karen McGaffey - Perkins Coie (via phone) Laura Schinnell - Energy Northwest John Arbuckle – Energy Northwest (phone) Scott Woodard – Energy Northwest (via phone) Jim Chassee – Energy Northwest (via phone)

<sup>1</sup> The minutes are in transcript style and have had minor editing for clarity purposes.

#### ITEM NO. 3: APPROVAL OF MINUTES

**CHAIR LUCE:** The first item on the agenda is the approval of the minutes for March 10, 2003 regular council meeting. Have Council Members had an opportunity to review those minutes?

**MR IFIE:** I move the minutes be adopted as presented.

MS. FENTON: I second that motion. CHAIR LUCE: All in favor say aye. COUNCIL MEMBERS: Aye. CHAIR LUCE: They're adopted.

#### ITEM NO. 4: ADOPTION OF PROPOSED AGENDA

**CHAIR LUCE:** The second item on the agenda -- actually, let me ask the Council Members, have you had an opportunity to review the agenda, and do you see anything that you would like to add or otherwise address at this time?

MS. FENTON: There will be one more rule into EFSEC and it's just administrative.

MR. FIKSDAL: I have one more thing.

**CHAIR LUCE:** Yes.

**MR. FIKSDAL:** Andy McNeil from Duke Energy won't be here, and I'll be giving the report. **CHAIR LUCE:** Okay, anything else? Then we will consider the proposed agenda adopted with

the additions.

#### ITEM NO. 5: KITTITAS VALLEY WIND POWER PROJECT

Progress Report Irina Makarow, EFSEC

**CHAIR LUCE:** The first substantive item on the agenda is the Kittitas Valley Wind Power

Project progress report. It's an information item. Ms. Makarow.

MS. MAKAROW: I'll just move up here, so that Patti Johnson can hear me.

**CHAIR LUCE:** Ms. Johnson welcome. **MS. MAKAROW:** Can you hear me, Patti?

MS. JOHNSON: Yes.

MS. MAKAROW: I just wanted to give you a progress report on the various phases of the review of the Kittitas Valley Wind Power Project that are proceeding. Shapiro submitted the initial completeness report to the Council on March 21, and that was transmitted to the Applicant. We've met with the Applicant and Shapiro to discuss the various comments that Shapiro had made, and the Applicant expects to be submitting a response to the majority of those comments that relate to application completeness by this Friday. There may be a number of comments regarding EIS preparation that will be submitted at a later date. We will be working with both Shapiro and the Applicant to coordinate that. Shapiro will have 30 days to review these responses and determine if the application is sufficient to proceed with the adjudicative proceeding, so sometime in the middle of next month we will be hearing back from them on that. We also received last week review reports written up by our Fish and Wildlife and Ecology contractors, and these are being transmitted to the Applicant, so they can have a look at those issues that were raised there and respond to them also.

On March 12, we held a public informational and EIS scoping meeting in Ellensburg, and we had over 150 people show up at the evening meeting and about 25 agency representatives show up at the morning agency scoping meeting. Shapiro will probably finalize the EIS scoping summary by the end of this week, and that will be distributed to Council Members. And by the end of the month staff intends to meet with Shapiro to determine the scope of the EIS, again, based on the scoping summary.

And finally, we scheduled the land use meeting for May 1 in Ellensburg, Washington at 6:00 p.m., and that meeting has been noticed by mailing to the interested persons' list and legals in the local newspapers.

**CHAIR LUCE:** Thank you, Irina. Any questions from Council Members?

MS. MAKAROW: That would be it then. CHAIR LUCE: Then thank you very much.

MR. FIKSDAL: Before we move on, Chris, do you want to introduce yourself?

MR. TAYLOR: Sure. Hello, Council Members. Should I step forward?

MR. FIKSDAL: Sure.

**MR. TAYLOR:** Should I come up to here?

MR. FIKSDAL: Whatever you like.

MR. TAYLOR: I notice that you're recording.

MS. LAAMB: It's helpful. It's helpful.

MR. TAYLOR: I think you can all hear me from here, but the tape I don't know.

Chris Taylor, Zilkha Renewable Energy. Hello, everyone. I have with me today -- we came by just to hear the update and see if Council Members had any questions. We're here today with our attorney, Darrel Peeples, who I'm sure you all know. Andrew Young as you will recall was here to help with our presentation with myself who's our Project Development Director for the Northwest. And I would like you to meet Michael Skelly, who's our Vice President of Development who's in town today, so we thought we would stop by.

**CHAIR LUCE:** Thank you very much. As long as you're up there, Council Members, do you have any questions? Well, thank you very much for stopping by.

MR. TAYLOR: I guess no news is good news.

**CHAIR LUCE:** When the regulator doesn't ask questions, you just say thank you.

MR. TAYLOR: Thank you.

CHAIR LUCE: It's like an attorney in a cross-examination, you want to be careful what they

ask for.

#### ITEM NO. 6: BP CHERRY POINT PROJECT

Progress Report Mike Torpey, BP Cherry Point
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**CHAIR LUCE:** The next item on the agenda is BP Cherry Point Project progress report. Mr. Torpey.

MR. TORPEY: Good afternoon, Chairman and Council and Staff. It's good to be here mainly because we're very close to being able to go to print with our application. We're thinking that it will be going into print sometime this week. Tomorrow would be optimistic and maybe even Wednesday would be more realistic, so we're very close. I was probably a bit optimistic last time I met here about when we would have our materials in, but it did take a lot of work to get there.

We've got the same basic project as we had before. It's a 720-megawatt plant, three gas turbines, one steam turbine. It is co-generation. The main change is we're switching from air cooling to water cooling and developing a water reuse project with the Whatcom County PUD, Alcoa and Intalco Aluminum Plant and BP Refinery. It doesn't sound like much, but it took a lot of people and a lot of coordination to make it happen and to incorporate these changes into the application. The revision is going to look bigger I think than it really is. We're supplying whole documents where we've made changes in parts of this application in sections and appendices, and with that these will also be redlined, so you will be able to see what the changes are. We felt that would be much easier for people to make the changes in the application itself by replacing whole sections and putting in whole sections. So we thought that would be easier, and you will find that when you look at this even though it looks like a large number of changes when you flip through it, you will see that not much of the document has changed. It's a relatively small amount.

We continue to meet with stakeholders, public officials, public interest groups, and Canadian officials on our project, so we're trying to keep people informed. I think since this last meeting we had I think one very good meeting at the Blaine Public Library that Mike Lufkin put on. We weren't quite as prepared for that I think as we should have been, but we showed up at the meeting ready to answer questions, and we answered a lot of questions. There was a good turnout. There were some tough questions, but I think we had an open and honest dialogue. At the end of that we had a lot of folks that were very appreciative of our talking about the project and answering the questions, so we felt real good about that meeting, and those are the kinds of things we continue to do.

We've addressed your concern also about the timing of the process in our cover letter, so that will be included in the revisions. And with that said, like I said it's taken a little bit longer to get to this point than we had hoped, but we've been working long nights and weekends trying to get here, so I'm feeling pretty good about being able to set this on your desk and have you get started on it

And with that, I will do all that I can to answer specific questions as we go through this, and we've got a team that would be very interested in answering questions for you as well. I'm looking forward to working with you now more closely that we are able to turn these in. So with that, thank you for your time and opportunity to update you on the project.

**CHAIR LUCE:** Thanks, Mike. Any questions from Council Members? Jenene **MS. FENTON:** Thank you for doing the letter and the redline. After the last batch of amendments the redline will make it a whole lot easier to go through it, so thank you for doing that in advance.

MR. TORPEY: You bet.

**MS. FENTON:** The other is a question I guess to staff. Because pieces of the last application still had questions associated with them are we doing a completeness review of the new application? Because we never really got some of the pieces that should have been there the first time.

**MR. TORPEY:** May I mention also one thing about some of the changes or the questions? We in the process of incorporating the air cooling and the water cooling we also took the questions and clarifications from the last review and incorporated those things into our revisions. That's one thing that should help.

**MS. ELLING:** We've asked Shapiro upon receipt of the revision package we have basically a 30-day time limit, and what we're to hear from them at the end of that 30 days is do they have

enough information? Do they still have things they need to have clarified? Is there sufficient information? So, yes, there will be a 30-day review.

**MS. FENTON:** A 30-day review is different than a completeness review because the completeness review has little connotations as far as the time line for when our year begins, and that's just a question that I have.

**MR. FIKSDAL:** Just a second. As you recall the independent consultant looked at the application and did issue I guess sufficiency to proceed with the adjudicative proceeding which then you would issue the request for intervention. So the consultant will then review the changes and get back to us whether they think there's additional information or not needed, if additional information is needed. We still have to prepare the environmental impact statement, and then you go out for maybe an additional request. We have never contemplated having I guess a completeness statement made.

MS. FENTON: This particular application amendment is a little bit different than what we've received in the past in that there was a lot of discussion about the completeness report when Shapiro made their presentation, and the fact that there were pieces in fact missing from the application at that time. I am not sure that the Council has seen the full application because I know that BP was working on many of those pieces but then contemplated doing the amendment that's coming forward. So we've never really seen all the pieces together, and that's why I guess I'm asking if we're going to do a completeness report.

**MR. FIKSDAL:** I think in the consultant's review they will report on whether there's additional information that is either coming or necessary or if they have answered all the questions. I believe that's part of the task that we have given them, so that the information I don't know if it's regarding wetlands or the cultural resources or the transmission. Some of those pieces that weren't in the original application I believe are going to be in the application, and we'll ask Shapiro to confirm that those pieces are there.

**CHAIR LUCE:** Jenene, let me ask a clarifying question. I think in part what you're saying is you're asking when does the 12-month period run from?

**MS. FENTON:** Yes. There's two pieces, but that's my major concern is when the 12-month period because we can put ourselves in a box.

**CHAIR LUCE:** Right. My understanding is that the 12 months would run from the time that the application is completely reviewed. If the application hasn't been filed in all its details and particulars and information is missing, then from that point forward we would have 12 months.

**MR. FIKSDAL:** I think we'll rely on our consultants to see if there's additional information or if all the information is in that they need, particularly I think at this point for the development of the environmental impact statement. If they feel everything is there, I would assume -- it depends on how you define the 12 months. I think with this letter you're going to ask for an extension of time, you know, for that piece or part of our regulation. But exactly I think it will be up to you to decide when the 12 months will actually start.

**CHAIR LUCE:** I just wanted to clarify that's what I think the issue is that Jenene at least in part was getting at. So let's see what comes forward.

**MR. FIKSDAL:** We are not going to ask the consultant. They're not going to say -- I don't think they're going to say it is now complete and therefore the 12 months starts.

**CHAIR LUCE:** Right. That's not their job to say the 12 months start.

**MR. FIKSDAL:** But I think they'll report the information is there, and we can proceed because we have all the information we need for the application and to begin or finish the Draft

Environmental Impact Statement, or they will report that there's pieces missing or there's information that's needed; therefore, I think this is not complete.

**CHAIR LUCE:** I am sure we will revisit this issue, Jenene. But I'm sure that Mike will work cooperatively with us and BP will as well.

MR. TORPEY: Absolutely.

**CHAIR LUCE:** Understanding the circumstances that were presented or are presented by virtually the fact that not all the information was there. So it simply puts the Council in a rough spot in terms of the 12 months because, you know, it renders our ability to go forward -- it does not permit us to go forward with the process until all the information is there. I think we agree with that. So at some point in time we may ask for a letter from you to that affect.

**MS. FENTON:** And I think that's what Mike was indicating his cover letter was going to do. It's a little snag. I just don't want EFSEC getting a black eye unnecessarily.

**MR. TORPEY:** No, I understand.

**CHAIR LUCE:** You mean, is that my implication sometimes, we should get a black eye? Sorry. Thanks very much. Are there any other questions from Council Members? Actually I did have one question. Have you considered --you switched from air cooled to water cooled and apparently entered into some cooperative agreement with Alcoa and Intalco.

MR. TORPEY: That's correct.

**CHAIR LUCE:** Have you considered what impact -- would there be any impact if Alcoa and Intalco no longer operated?

**MR. TORPEY:** What we've got right now with between Whatcom PUD, Alcoa, and BP is a letter of intent. And then if we get closer certainty on the permit, then we can enter into a commercial agreement. The way it's set up is that the Whatcom PUD actually owns the contract rights to the water. They own the water rights. Alcoa, BP actually contract for that water, so regardless of what happens to Alcoa – we hope that they're still around -- but regardless of what happens to Alcoa that water would continue to be available to the Refinery and to the co-gen project.

**CHAIR LUCE:** Great. We all hope they will be around, but in the event you anticipated that.

MR. TORPEY: Yes.

**CHAIR LUCE:** Great. Thank you very much.

#### **ITEM NO. 7: SUMAS ENERGY 2**

## RFP for Offset Proposals

Irina Makarow, EFSEC

**CHAIR LUCE:** The next matter on the agenda is Sumas Energy 2. It's listed as an action item. We have two issues, the RFP proposals for offsets and the PSD administrative amendment. Irina.

MS. MAKAROW: I'll start with the RFP for offset proposals. A few weeks ago you received a copy of the draft request for proposal that Sumas Energy 2 prepared pursuant to the requirements of their site certification agreement, and the Council had to act to approve that request for proposals, so that SE2 could then proceed to issue it and see if there are any projects out there that would meet their needs for offsetting nitrogen oxide and particulate matter emissions. On last Monday at the Executive Committee Meeting both Council and staff had some comments regarding that draft that we discussed with Karen McGaffey representing Sumas Energy 2, and on Friday Karen sent a revised version of the RFP which we e-mailed to you and which you have

in front of you. It's a cherry sheet with the white attachment. I guess at this point I guess staff recommends that the Council approve this request for proposals as has been revised by the certificate holder, so that they can then proceed with issuing their RFP and looking for projects.

**CHAIR LUCE:** Thank you. Are there any questions from Council?

**MS. FENTON:** Just a quick one. What's the time frame associated with it? There was a time line in the SCA, and I didn't look it up to find out how long they have to actually try and get projects before --

**MS. MAKAROW**: I believe it was within one year of site certification that they had to provide -- they had to produce a plan for offsetting the emissions, and that plan being either projects that they can select through the RFP process, and if they couldn't find any such projects either through the RFP process or otherwise would then be the monetary disbursement that's allowed in the site certification agreement.

**MS. FENTON:** How much time do we have for monetary disbursement? I just don't remember.

**MS. MAKAROW:** I believe the monetary disbursement was due before they started operation. It's either before they started construction or operation. I don't know that it is required in the near future.

MS. FENTON: Thank you.

MR. FIKSDAL: I think Karen McGaffey might be on the phone at this time.

**CHAIR LUCE:** Karen, are you on the phone?

MS. McGAFFEY: I am. Thank you.

**MR. FIKSDAL:** Karen, this is Allen Fiksdal. Do you have a response to Jenene's question or did you hear it or did you hear Irina?

MS. McGAFFEY: I'm not sure I heard the question. I think the first question was when is the plan due? And I think Irian correctly answered that. That's a year after the site certification, so that's next August, this coming August. And the second part of the question I am afraid I didn't hear

**MS. FENTON:** Karen, my question was what was the time frame? I remember a year period, but I didn't remember if it was a year for the plan or a year for looking for projects and within a year if you couldn't find a project, then it automatically kicked into the monetary part. That was my question. I just wanted to know what the time frame was, and I think you've answered it. Thank you.

MS. McGAFFEY: Okay.

**CHAIR LUCE:** Other questions from Council Members? This is an action item. Do we have a motion to approve the RFP, so that Sumas may go forward with it at this point?

MR. IFIE: So moved. MS. FENTON: Second.

**CHAIR LUCE:** There's been a second and a motion to proceed to authorize Sumas to proceed with the RFP. Any comments from the Council? Hearing no comments, is there a call for the question?

MS. FENTON: Question.

**CHAIR LUCE:** All in favor say Aye.

**COUNCIL MEMBERS:** Aye.

CHAIR LUCE: Thank you. The second item we have with respect to the Sumas facility is the PSD administrative amendment, and I believe that Irina you're also going to address that.

MS. MAKAROW: Yes, I will. In addition to the materials that you received in your packets, I distributed to you today some excerpts of the actual decision that the EAB had made; that the Environmental Appeals Board had made, as well as some excerpts from EPA Guidance Regulations and our own state regulations regarding the public notice and revisions of permits, so that I can walk you through what it is that we're doing today.

As a result of the Environment Canada and British Columbia Province's appeal of the Sumas Energy 2 PSD permit before the Environmental Appeals Board in Washington, D.C., the Environmental Appeals Board remanded the permit back to EFSEC and EPA, so that EFSEC and EPA could make a few technical revisions for administrative amendments to the permit to reflect that in fact the facility was only going to be fired with natural gas. The combustion turbines would only be fired with natural gas. And in the copy of the PSD permit that you have in your packets on Page 9, the revision that the Environmental Appeals Board is requiring EFSEC and EPA to make is basically striking the word either in a sentence that says, that characterizes that either fuel could be burned in the combustion turbines.

With regards to further appeal of that correction, further appeals would be exhausted once the Council made this change to the PSD portion of the permit, and also according to 40 CFR Section 124.19 in the excerpts that you have in your packet that also reinforces that once this is mandated by the Environmental Appeals Board there will be no other recourse for appellants to request further changes of the permit.

With regards to public notice of this change, there were some questions from Council Members as to public notice being required. I have included for you an excerpt of a guidance document that is used by EPA in its PSD permitting process, and that is a July 5, 1985 letter by Darryl Tyler to Directors of the Air Divisions Regions 1 to 10. And this excerpt on Page 5, which is the second page of your excerpt, first of all, defines what an administrative amendment is, and it says an administrative change involves no increase in either emissions or impacts and no fundamental change of either the source or one of the emission units at that source. Application or permit revisions may be necessary but additional review or analysis would not normally be required. Examples are typographical and company name changes. On Page 11, the PSD Guidance further goes on to explain what an administrative amendment is, and it clearly states when you're just correcting typographical errors, which is the case here, that further public process is not required. So we do not need to issue these changes to the public for comment. The second change that we're making that staff is recommending the Council make to this permit are, again, two other typographical corrections in the notice of construction approval part of the permit. The first is on Page 17 with regards to Notice of Construction Condition 4 where unfortunately when we had written up the permit a typographical error did insert itself, and the permit read that "No HRSG stack exhaust shall exceed annual CO emissions of 99.9 tons" where in fact this was meant that "No HRSG stack exhaust shall exceed annual CO emissions of 49.9 tons." And finally the third typographical change to be made is on the following page in Condition 4.3 where we had incorrectly pointed to a Condition 16.1 which should have read 15.1.

I have included in your regulatory excerpts a section of the public involvement Washington Administrative Code that EFSEC has currently adopted, and this is the SIP - Ecology - 400 -

171- sheet, and, again, the listing of the permit actions that require public notice does not include typographical errors, so there is no public notice required for this change either.

If the Council approves these changes today, we will proceed with sending the permit up to EPA for their signature, and then we would actually have to follow the typical final permit issuance procedures that EPA has established for PSD permits which means sending a copy to all those people who commented. And we include a cover letter explaining as to why they're receiving another copy of the revised permit, and we would also get it out to local libraries.

So today staff recommends that you approve the three changes as being indicated to you in the redlined version in your packets.

**CHAIR LUCE:** Thank you. Any questions from Council Members? Any comments from members of the public? Hearing no comments from members of the public and no questions from Council, I assume a motion is appropriate at this point.

MS. MAKAROW: Yes.

**CHAIR LUCE:** Does someone wish to make a motion to approve the staff recommendation?

**MS. FENTON:** I'll move.

MR. IFIE: Second.

**CHAIR LUCE:** Discussion? Call for the question? All in favor say Aye.

**COUNCIL MEMBERS:** Aye. **CHAIR LUCE:** Thank you.

#### ITEM NO. 8: CHEHALIS GENERATION FACILITY

## Construction Progress Report

Tom Schneider, Chehalis Power

CHAIR LUCE: Chehalis Generation Facility, Tom Schneider.

MR. SCHNEIDER: Thank you, Mr. Chairman and Members of the Council, I appreciate the opportunity to update you on our project. We're quite pleased with the progress we're making. As of the end of the month we have these percentages of completion. Engineering, 100 percent; procurement is almost complete. We have a few very minor items still coming in, in the way of bulk materials, and construction is almost 92 percent complete for total project completion of just over 96 percent. We are on the downslide, if you will, on our manpower on the site. We're down under 400 now. We're at about 469 I believe, -- excuse me, 369. Safety continues to be a major issue on the site, and we are doing quite well there. Our incident rate is less than half of the target rate. As far as the schedule goes, the official schedule remains for a provisional acceptance on the 31st of October; however, we're anticipating that to be considerably earlier, hopefully in mid August. And we are looking forward to a first fire activity in the second week, second to third week of May, next month.

The major items on the site include HRSG erections. Those are nearly complete. We have some minor structural rework going on to ensure our ladders and platforms meet all of our codes and specifications, and the HRSGs have been hydrotested and are getting close to chemical cleaning this next week we hope. Piping is almost complete. We have a few connection welds to be made at the steam turbine, and all of the major piping work will be complete. The only thing left would be some minor trim work on piping. Electrical is probably the major issue left. We're continuing to go pull wire at a heavy rate and make our terminations on electrical. As far as mechanical equipment goes, all three turbines are generally mechanically complete with loop checks being completed now on both combustion turbines. The steam turbine is getting ready

for a lube oil flush. Actually both combustion turbines are in the middle of lube oil flush at this time.

Start-up activities are ongoing with all systems. We are about 20 percent complete with our start-up activities, and the switchyard is fully activated and supporting energization. We just completed energization and soak for the third start-up transformer, 500 kg transformer. That's the last one. Off-site services, gas, water and sewer are all complete and in service, and we are continuing to pursue those mitigation items that are part of our SCA. I believe that's on schedule, and we have no issues with our local government, people nearby there. Everything looks fine.

**CHAIR LUCE:** Great. Questions from the Council?

**MS. FENTON:** With the monsoons here, how's the storm water doing?

MR. SCHNEIDER: The storm water is doing very well. Thankfully we have much less and less traffic on site now. The major equipment is all gone with the exception of one crane that still remains on site, and I think that's always been our major problem is the traffic on site. And, of course, the earth work is complete. The liner is all installed for the tank farm area for the fuel oil, and that was the last major piece of earth work to do. And so we're looking quite good. The turbidity in our pond, for example, is about two percent of what we saw last year, so it's almost clear.

MS. FENTON: Fabulous.

**MR. SCHNEIDER:** And we're able to monitor that very closely now with the stream next door, the Burwick Creek.

**MS. FENTON:** What's the status of the Dillenbaugh Creek Restoration Project? I understand that there's got to be some additional plantings done.

**MR. SCHNEIDER:** Yes, they have additional plantings to do and are continuing to work on other issues that need to be resolved and completed. You're talking about the Dillenbaugh Creek.

MS. FENTON: Yes.

**MR. SCHNEIDER:** I think we have a meeting coming up where Fish and Wildlife will help us ensure things are done correctly.

MS. FENTON: Great. Thank you.

**CHAIR LUCE:** Anything else? Comments from the public? I want to note the presence of a very large American flag I did notice I think on your crane out there, so your workers are showing a great deal of patriotic enthusiasm as well as your company.

MR. SCHNEIDER: Thank you very much. CHAIR LUCE: It looks great. Thank you.

#### ITEM NO. 9: SATSOP COMBUSTION TURBINE PROJECT

Status Report Allen Fiksdal, EFSEC

**CHAIR LUCE:** Andy is not here. You're going to handle this for Andy.

**MR. FIKSDAL:** Yes. Andy McNeil asked me to tell you that there is no change in the status of the project. It's still in construction suspension, and I related that to you. I will point out a letter from URS that Katy Chaney sent to me the other day that outlines what Duke Energy is doing regarding the C-1 pond and the storm water runoff, so we're working on the issues and their

proposal. We are in the process -- we're working on this and hope to have this resolved before too long.

**CHAIR LUCE:** Thank you. Questions from the Council? Ms. Fenton.

**MS. FENTON:** I've had several questions about the Satsop project for a while, and at the executive meeting last week there were still four that we were waiting for responses from Andy. Were those related to him? Karen, are you still on the phone?

**MS.** McGAFFEY: I am still on the phone.

**MS. FENTON:** Okay. I don't know what the status is of those questions, and I think you were also going to provide an update on the greenhouse gas plan.

MS. McGAFFEY: Yes. With respect to the greenhouse gas plan, we are in the process of preparing a formal write-up along the lines that we discussed at the executive committee meeting. At that meeting Council Members identified three or four modifications to the previous proposal that you all asked us to consider, and the folks at Duke are considering them. But we anticipate getting something to you all later this week, so that it can be discussed at the executive committee meeting Monday. And, Jenene, if you can remind me of the four other questions, I might be able to answer them.

**MS. FENTON:** I didn't bring them with me. I thought that Andy was going to be here to address them, so I will bring them up again on Monday.

**MS. McGAFFEY:** Okay. So the one that I remember right off hand is your question for Andy about a flow chart essentially on the timing.

**MS. FENTON:** It was the timing to make sure that the C-1 pond got addressed this construction season in the event that a new pond had to be built and taking a look at avoiding any impacts to the wildlife mitigation area in the event the C-1 pond itself had to be repaired.

MR. FIKSDAL: I think, Karen, if I may, in the letter, the last page of this letter --

MS. McGAFFEY: That's what I was going to say.

**MR. FIKSDAL:** -- has a schedule, proposed schedule for action.

MS. FENTON: Okay.

**CHAIR LUCE:** Any other questions from Council Members? All right. Thank you very much. Does that conclude our business with respect to Satsop?

MR. FIKSDAL: Yes.

**MR. LUFKIN:** Just one comment. More of a question actually than a comment regarding Satsop greenhouse gas plan, and I suppose this is more directed at Karen, but perhaps the Council as well. I was just seeking clarification in terms of what proposal will be forthcoming. I know that there

were two options on the table, and there were certainly it seemed to be a majority of Council Members that were moving in the direction of a Sumas style proposal, and I was just seeking some type of clarification. Is that the direction that Duke is making changes, and is the Chehalis approach off the table or are we to expect some two-prong proposal like we saw at the previous executive meeting? Because I know there was a lot of discussion on things and suggestions that would be made and improvements to the Sumas style. But with regards to the Chehalis prong of that proposal, I think it was just kind of left, and I don't know if there was ever any clarification on that.

**MS.** McGAFFEY: Mr. Lufkin, I think what you can expect to see in the proposal and will continue to be a proposal as outlined are two different options based on the Sumas and Chehalis proposals. Those options may be somewhat modified based on suggestions at the last meeting, but the flexibility of choosing between those two types of options is something that is important

to do in light of the position where the project is now. When we send around a copy to Council later this week, I will be sure to send you one as well.

MR. LUFKIN: Okay. Thank you very much.

**CHAIR LUCE:** I think the discussion was rather fluid to maybe use a word that would be appropriate with respect to which option you prefer. And I think the Council understood the need for flexibility and then hope that the company would come back with something that satisfies what our interests were and quite frankly they probably are all some slightly different interests, so we will wait and see what comes up later this week.

**MR.** LUFKIN: And the reason I raised it as I said is because there were some very precise suggestions in regard to one proposal, but in regard to the other, it was very fluid to say the least, so thank you.

**MS. FENTON:** I thought Chuck Carelli made suggestions concerning the Chehalis approach in that a modification be looked at to respond to some of the questions that you had and Casey Golden had about apples to apples and oranges to oranges is my recollection of what that discussion was about. So the Chehalis we agreed there be two processes going on or two proposals going, but both of them would be modified.

MR. LUFKIN: Okay.

**CHAIR LUCE:** We'll wait to see what the company comes forward with.

MR. LUFKIN: Thank you.

**CHAIR LUCE:** Ms. McGaffey any idea when that might be available?

MS. McGAFFEY: I would like to try and circulate it on Thursday, but I'm just not sure.

CHAIR LUCE: Okay. Thank you very much.

#### ITEM NO. 10: ENERGY NORTHWEST PROJECT

### **Columbia Generating Station**

Operations	John Arbuckle, Energy Northwest
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**CHAIR LUCE:** The next item on the agenda is Energy Northwest; is that correct?

MR. ARBUCKLE: We're on the line.

**CHAIR LUCE:** All right. Columbia Generating Station Operations information item. Mr. Arbuckle.

**MR. ARBUCKLE:** This is John Arbuckle. I also have Scott Wodard, our chemistry manager with us; and then also Jim Chassey, an environmental engineer in our group. Just a couple items on Columbia. We're on line at 100 percent and just a reminder that the refueling outage is scheduled from May 10 through June 12. That's all I have on Columbia.

**CHAIR LUCE:** All right.

### Condenser Scale Removal

Michelle Elling, EFSEC

MR. ARBUCKLE: On the condenser scale removal what I'll do is lead in with a little bit of an idea of where we're going with it and then turn it over to Ms. Elling to discuss the proposed resolution. But we're requesting Council to approve our proposed Resolution 306 covering a one-time condenser scale removal process at Columbia. We are currently operating at a degraded condition with our condenser due to problems with chemical feed components in October of 2000 and February of 2001 which resulted in inadequate treatment for scale inhibition. This was confirmed when the condenser waterboxes were opened in the spring

outage in 2001 for inspection, and unlike previous maintenance outages the mechanical removal with metal darts was ineffective in scraping the calcium carbonate deposits that had formed on the tubes walls. And after the plant was returned to operation in July of 2001, the thermal performance of the condenser was confirmed to be degraded such that depending on environmental conditions we had about a three- to five-megawatt penalty extracted from our gross output. So therefore we're requesting a proposed chemical cleaning process for the condenser. But since this treatment process will raise copper, pH, and potentially zinc concentration in the waste water that would result in NPDES permit limitations being exceeded, we have proposed that the discharge for the cleaning of the condenser be pumped from the Columbia circ water basin to the approximately 13 million gallons service water pond at WNP-4 with the contingency if that's not enough we'll have to route a pipe over to WNP-1, a similar pond. We also don't expect to use that pond. After completion of the cleaning process, we will submit a proposal to EFSEC for the disposing of the waste water storage and the service water pond. And with that, I would like turn it over to Michelle for discussion of the proposed resolution.

MS. ELLING: Thank you, John. In your package you'll find the Draft Resolution 306, also the two letters that we received from Energy Northwest concerning this condenser scale cleaning process. EFSEC staff recommends the Council approve this one-time cleaning process subject to the following conditions: First, that the blowdown line be secured while the cleaning process is in process until the water meets NPDES permit limitations when it will again go though Outfall 001; that the waste water stored in WNP-4 and WNP-1 be sampled for copper immediately. Energy Northwest will install appropriate avian deterrent devices and monitor the two service water ponds for avian mortality while the water is being stored. And that prior to the disposal of the water like John commented that they submit a plan for Council approval.

**CHAIR LUCE:** Thank you. Questions from the Council? Ms. Fenton.

**MS. FENTON:** Thank you very much for incorporating my comments about the avian concerns. I want to make sure I understand. I know that this is a two-prong approach. This is the initial approval to put the waste water into the -- to store the waste water at WNP-1 and 4. When is it that the next decision will come to the Council? I'm more just concerned about length of time the water is going to be stored.

**MS. ELLING:** We actually are expecting that to come after the outage. The outage is going from May 10 to June 12, and after that time Energy Northwest is going to develop a plan and submit it. But it is our intent that staff along with the Department of Ecology and Fish and Wildlife return to the site and discuss with Energy Northwest their plan to ultimately discharge the waste water, and that should happen probably late June or early July.

MR. ARBUCKLE: That's correct.

**MS. FENTON:** One of the concerns that was incorporated into this resolution was that concern about the potential impact to nesting birds, and my understanding is that Fish and Wildife staff has not had time to do adequate surveys of where this pipe is going to be. I just want to make sure that the Council is aware that once the next step of this process comes to the Council that consideration is made to impacts on nesting birds.

**MR. ARBUCKLE:** That's a good comment, Jenene. We actually did a walk down with our environmental scientists. They did a presurvey of nesting areas, and they found meadowlarks but no evidence of nests at this time, but we're mindful of that and we have informed the people in charge of the pipe laydown and removal to essentially stay out of bushes and stay along the pipeline route and be attentive to the nesting birds.

MS. FENTON: Thank you.

**CHAIR LUCE:** Any other questions of Michelle or Energy Northwest staff? We have a

resolution before us. Do we have a motion to approve the resolution?

MR. IFIE: I so move. MS. FENTON: Second.

CHAIR LUCE: Comments from Council Members? Hearing no comments, call for the

question. All in favor say Aye. COUNCIL MEMBERS: Aye. CHAIR LUCE: Thank you. MR. ARBUCKLE: Thank you.

### **WNP-1/4**

Site Restoration Jim Luce, EFSEC Chair

**CHAIR LUCE:** Thank you very much. WNP-1 and 4 always seem to be on the agenda, but thanks. Cindy Custer is here, and I think, Cindy, unless I misstated this, the final stage step has been crossed now. The federal agencies have approved a categorical exception under NEPA for signing this agreement, and the issue now on signing is in Cindy's capable hands and that of the Governor's office and Energy Northwest and the Department of Energy. So we're just -- and probably a few other people that I don't know about. But we are basically just in the mode now where we're in a holding pattern until we're told to show up with a pen.

**MS. FENTON:** Once it's signed is it 30 days?

**CHAIR LUCE:** Thirty days after that, after issuance of a letter by the Council to Bonneville, then the offsite mitigation will be due, and hopefully by that time we will have a project.

**MS. FENTON:** It might be real helpful for timing to take into consideration the state biennium starts July 1.

**CHAIR LUCE:** We've done that, and we're willing to work with staff, so that's a contingency Plan B. We hope before June 1, but if not, Plan B is ready.

MS. CUSTER: It should be. Hopefully.

CHAIR LUCE: So thank you, Ms. Custer. Thank you, Bonneville. Thank you, Energy

Northwest.

MR. ARBUCKLE: You're welcome.

#### ITEM NO. 11: EFSEC RULES

## Topic Discussion Jim Luce, EFSEC Chair

**CHAIR LUCE:** The next item on the agenda is EFSEC Rules Topics Discussion. These matters are being brought forward having been discussed at the executive session and will be placed upon the EFSEC web site as proposed rules under our rule-making proceeding. The first one is socioeconomic. The second one is wetlands. Council Members want to discuss this in any length? The materials are in your packet. Yes, Mike.

**MR. MILLS:** Just reminding you that Jenene had the administrative rule.

**CHAIR LUCE:** I understand there are administrative rule as well. Is there any discussion, consideration that Council Members wish to give to this or do we authorize staff to place them on the web site?

**MS. FENTON:** Just one little comment. Socioeconomic is titled Fair Treatment and Meaningful Involvement. It used to be called socioeconomic just for the record.

**CHAIR LUCE:** Maybe it would be more appropriate to redesignate that socioeconomic. **MS. FENTON:** Not really because it's not going to be in the standards. It will be in the

application guidelines.

**CHAIR LUCE:** Point well taken. All right. Fair Treatment and Meaningful Involvement it is. Any other comments? All right. So staff is authorized to place the two items --

MS. FENTON: Three.

**CHAIR LUCE:** Let me finish. Socioeconomic and wetlands as well as the administrative matter that Jenene has brought to us to be put on the web site, and they will be available for public comment. And then we will finish our process, and then we will go forward to CR-102.

#### ITEM NO. 12: OTHER

**CHAIR LUCE:** Other items for the Council's attention?

MR. IFIE: Mr. Chair? CHAIR LUCE: Yes.

**MR. IFIE:** This might be a good time to talk about the retreat that I've been working with some of you on. Ms. Laamb has gone around and checked your schedules. Right now it looks like May 14 or May 23 looks very good for most work schedules. So we should set to one of those dates, and as far as agenda is concerned I had sent around an agenda for comments by Council Members. I haven't gotten any comments back. So far the only comments I've gotten were from Nan Thomas.

**CHAIR LUCE:** What are the days in May?

**MS. FENTON:** The 23rd is a Friday and the 14th is a Wednesday. I prefer Wednesday.

**CHAIR LUCE:** I would prefer Wednesday.

MR. SWEENEY: I will not be there. I'm gone that week.

**CHAIR LUCE:** All right. Let's try for the 14th.

MR. IFIE: We will keep working on it.

**MR. SWEENEY:** The 14th is the week I'm gone.

**CHAIR LUCE:** All right. The 23rd is Friday?

**MR. IFIE:** Right. Friday, the 23rd. We will keep working on it. Right now we could -- what about the 23rd for you, Jim?

**CHAIR LUCE:** You know, it's fine. I prefer middle of the week to end of the week, but I'm flexible. If that serves to accommodate everybody else's schedule, then that's fine.

MR. IFIE: What about 22nd? CHAIR LUCE: That's fine too.

**MR. IFIE:** I need to check with Nan Thomas. She said she couldn't make it on the 22nd, but I will check back with her to see maybe if she could change that schedule.

CHAIR LUCE: Okay. Good. Allen, do you have something?

MR. FIKSDAL: No.

### ITEM NO. 13: ADJOURN

**CHAIR LUCE:** Anybody else have anything for the good of the order? Comments from the public? Hearing no comments, meeting is adjourned. The meeting was adjourned at 2:25 p.m.